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RR RUEHAG RUEHDBU RUEHDF RUEHIK RUEHLN RUEHLZ RUEHROV RUEHVK RUEHYG  
DE RUEHAH #0767 2140909  
ZNR UUUUU ZZH  
R 020909Z AUG 07  
FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC 9098  
INFO RUCNCIS/CIS COLLECTIVE  
RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUEHLM/AMEMBASSY COLOMBO 0474  
RUEHKA/AMEMBASSY DHAKA 0496  
RUEHIL/AMEMBASSY ISLAMABAD 2184  
RUEHBUL/AMEMBASSY KABUL 0933  
RUEHKT/AMEMBASSY KATHMANDU 0231  
RUEHNE/AMEMBASSY NEW DELHI 0981  
RHMFIUU/CDR USCENCOM MACDILL AFB FL  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2//  
RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE//  
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS ASHGABAT 000767

SIPDIS

SIPDIS

SENSITIVE

STATE FOR SCA/CEN  
DEPT FOR EB/IFD/OIA, L/CID  
ALMATY FOR STUART SHAAG

E.O. 12958: N/A

TAGS: [PREL](#) [BTIO](#) [EINV](#) [CASC](#) [OPIC](#) [ENRG](#) [PGOV](#) [TX](#)

SUBJECT: Turkmenistan: 2007 Report on Investment  
Disputes and Expropriation Claims Submission

REF: STATE 55422

11. (U) a. Claimant A

b. 2004:

c. Claimant A concluded a contract on purchasing 3,000 tons of K-354 type carbon black at a price of \$320.00 per ton with the State Concern "Turkmen Fertilizers and Chemistry" in November 2004. During 2005, the selling organization failed to deliver the shipment to Claimant A on time, although the payment for the bulk of the purchase had been made and special sacks had been delivered to facilitate transportation. After Claimant A filed an advocacy request in December 2005, the embassy sent a diplomatic note to the Government of Turkmenistan requesting the seller to expedite the delivery. After the embassy sent the note, the seller in early 2006 released the shipment, except for 333.5 tons, for which the payment process had been delayed. (Comment: Although the payment had been made in early 2006, Claimant A transferred the payment for the remaining 333.5 tons toward a different deal at the unofficial request of the director of "Turkmen Fertilizers and Chemistry" and in exchange for the director's promise to sell the remaining amount of carbon black at a price of USD 1,050.00. The director of Turkmen Fertilizers and Chemistry was arrested for embezzlement in late 12006. End Comment.) However, the seller refused to sell the remaining 333.5 tons, claiming that Claimant A had to pay a new price of USD 1,900.00 per ton because the payment for the remaining part of the shipment was not made earlier. The embassy sent a diplomatic note on June 7, 2006, conveying Claimant A's letter to the Government of Turkmenistan requesting to facilitate the purchase of the remainder of the carbon black. In September 2006 Claimant A requested that post stop intervention on its behalf in pursuing any unfulfilled contracts.

2.(U) a. Claimant B

b. 2007:

c. Claimant B signed a contract for International Public Switched

Telephone Service (speed digital circuits and voice grade circuits) with the Ministry of Communications of Turkmenistan on May 27, 1998.

Claimant B claims an accumulated unsettled debt of \$1,578,684. Despite numerous efforts -- according to Claimant B's collection agency -- to negotiate Claimant B's claim with the Communications Ministry, the dispute remained unresolved. At different times ministry staff either denied the contract, or claimed they had not received monthly billing notices.

In June the embassy telephoned the ministry in an attempt to clarify its reasons for not paying. The ministry acknowledged its contract with Claimant B and that it has outstanding debt to Claimant B, but said it disagrees on the amount it owes. The ministry claimed that it does not have all the traffic reports (monthly billing notices) from Claimant B and that all reports (invoices) should be reconciled by the two parties in order for the ministry to pay. The embassy requested through Claimant B's collection agency that Claimant B supply all monthly billing notices.

13. (SBU) Claimant A: Amcom LLC

Claimant B: Verizon/MCI.

HOAGLAND